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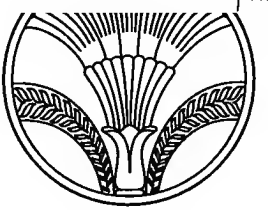

The Land Bank
of The
State of New York

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A co-operative system to finance real estate mortgages for long terms and to amortize the debt by small annual payments, with the privilege of full liquidation at any time.

By

John J. Dillon

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LAND BANK

OF THE

STATE OF NEW YORK

SYSTEM OF MORTGAGE CREDITS EXPLAINED

LOCAL AND CENTRAL ASSOCIATIONS.—The system of mortgage credits adopted for New York State provides for local associations all over the State without limit as to number, and one central association, called the Land Bank of the State of New York. Any person, man, woman or child, may be a member of the local association; but, of course, only land owners may borrow money from it on mortgage. Members not land owners may borrow only on the shares held by themselves in the local association. These local land banks will be the saving and loan associations now existing and those yet to be formed in the State. These saving and loan associations have been adopted as the local organizations because the excellent law under which they are authorized already exists. They are strictly coöperative, and have been universally successful.

A DISTINCTION IN ASSOCIATIONS.—These local saving and loan associations must not be confounded with the so-called National savings and loan associations, which were not coöperative and which can no longer be organized in the State of New York.

THE LAND BANK.—The local savings and loan associations will own and control the Land Bank of the State of New York.

FORMATION OF ASSOCIATIONS.—A savings and loan association may be formed anywhere in the State by 15 persons, either men or women. It can operate only in the territory embraced in a radius of 50 miles. The 15 organizers should all live within this territory; but if 15 people cannot be found in the territory, a smaller number will do, provided enough people to make up the necessary 15 will assist them from the outside. It is, however, desirable that the whole 15 organizers live in the community in which the society is to operate, and these can usually be found within a radius of 50 miles. Usually the associations confine themselves to much smaller territory. One local association will be sufficient for any particular neighborhood; but there is no restriction on the number of local savings and loan associations that may be organized in the same place.

THE FIRST STEP.—When 15 persons have signified their intentions to become members of a savings and loan association, a meeting should be called. It is a good plan to have a subscription paper prepared, and have those who favor the organization sign it, and set down the number of shares he wishes to take, and if this is not done previous to the meeting, then it may be done at the meeting.

EXPERT AID.—It is desirable that a public-spirited and reliable lawyer should be one of the organizers, if one lives in the neighborhood. If there be a bank in the district it is most desirable that one of the officers or a principal employee of the bank shall be among the number, and that a leading citizen of the community in sympathy with the movement and commanding the respect of his neighbors shall also be among the 15 incorporators. It would be well, of course, to invite a representative from some neighboring savings and loan association to attend the meeting and give some practical advice, which is really more essential than the legal counsel.

LEGAL REQUIREMENTS.—Before holding the meeting, the men who are moving in this matter should write the Superintendent of Banks, Albany, N. Y., and get from him a copy of the law, which is self-explanatory in regard to organization and is direct in its terms. With a copy of the law before them, the organizers would draw up an organization certificate making and executing three copies, one of which they would hold themselves and send the other two to the Superintendent of Banks.

PROPER FORMS.—There are two forms of organization permitted by the law. These are known as: (1) The "permanent plan," and (2) the "serial plan." The organizers should be careful to avoid the "serial plan" and adopt the "permanent plan," which is a system of coöperation between borrowers and lenders; and which has been adopted by practically all the progressive organizations of the State.

CERTIFICATE AND BY-LAWS.—Before doing any business or receiving any money, however, it would be necessary to forward the organization certificate, together with by-laws also acknowledged by the incorporators, to the Superintendent of Banks. A copy of the necessary by-laws for the associations can be had from the Banking Department, from the New York State League of Savings and Loan Associations, or from the office of THE RURAL NEW-YORKER. Changes may be made in these by-laws within the law to suit local conditions and preferences.

PASSING INSPECTION.—Before executing the organization certificate and the by-laws, it would be well to submit those by-laws for review to the Banking Department, so that when the certificate and the proposed by-laws are forwarded to the Superintendent of Banks there will be very little doubt but that they will pass inspection there. It is in this respect that the advice of an experienced association advisor is desirable. The State will furnish instructors and organizers for the present, and at any time arrangements may be made for a competent advisor on application to THE RURAL NEW-YORKER. The banking department will not only pass upon the papers submitted to it, but will make an inquiry into the character and standing in the community of the persons who are organizing the association, and will not issue a certificate of authorization unless it is satisfied in this respect.

The by-laws should contain a clause that the new association will become affiliated with the Land Bank, this privilege being one that every association in the State decides for itself.

PREPARING FOR BUSINESS.—When the Superintendent of Banks has issued a certificate of authority and approved the by-laws, the association is then ready for business, and the first payment on shares is due. These payments are usually called dues. None of this money, which is called capital, can be paid out for expenses; and for this reason some associations think it well to require each member to pay an initial fee of from 25 cents to one dollar as required to pay organization expenses. In other cases, the necessary expenses are advanced by one or more of the members, and this is repaid later out of the earnings.

HANDLING CAPITAL.—The amount to be paid on shares may be arranged under the provisions of the law to suit local conditions and desires of members. Arrangements may be made to have "dues" paid weekly, monthly, or annually. The shares on loans may be made to mature at any time from 10 to 40 years. Installment shares in a savings and loan association are not paid up in full in one or two payments, as shares are paid in a business corporation. Heretofore the dues have usually been paid monthly, and the plan has been to mature them in about 10 to 12 years. On this plan a member subscribes for one share that will be worth $100 when it matures or "runs out." He pays 50 cents monthly or $6 per year. If loans are made at six per cent. interest, the shares will mature in a little less than 12 years. The member will have paid in in monthly cash installments a total of nearly $70. The profits are added yearly to his credits and he draws out $100, or the face value of his share. If he is a borrower, he must take one share for every $100 borrowed, and besides paying his regular installments he must also pay the annual interest on the loan. These monthly methods of payment have been popular in towns and cities where the members have a steady salary income. It was desirable to make the payments large enough to mature the shares or liquidate the mortgage in about 10 to 12 years.

METHOD OF PAYMENT.—With the advantages of the Land Bank to furnish cash as needed, there will not be the need of large payments nor of maturity of stock or liquidation of mortgages in so short a time. With farmers the monthly payments might in some cases be embarrassing, so under the new plans, payments will probably be made quarterly or semi-annually, and the shares and mortgages will mature any time short of 40 years. To do this the annual payments will be only one per cent. of the principal in addition to the interest. If the interest rate at the Land Bank is 4½ per cent. annually, then a yearly payment of 5½ per cent. of the loan will leave the farm free and clear in about 40 years. Of course, any or all of the mortgage may be paid at any time, and the payments reduced accordingly; but the payment cannot be demanded until the mortgage matures, provided the payments are made regularly. Of course, the same advantage accrues to the member who does not borrow. He or she makes the payments regularly. The amount to his or her credit including the profits from year to year, may be all withdrawn at any time. If the payments are continued to maturity, the face of the shares is all withdrawn at one time.

MEMBERSHIP.—Members of a savings and loan association are those persons to whom shares have been issued or transferred. Guardians holding shares for others have all the privileges of members except the right to vote. Juvenile shares may be issued to minors and dividends paid on same, but the owners of such shares do not have the right to vote. Members of savings and loan associations are divided into three quite distinct classes.

First we have persons who have a steady income who have no wish to borrow, but who wish to save a definite portion of their earnings as it comes in. When they subscribe for installment shares they provide to make regular payments at definite times. They have an absolutely safe investment and the money begins to draw profit as soon as deposited. The enforced payments encourage saving and thrift. In this class of members we always have a number of public-spirited men and women who are influenced neither by the profit or the privileges of making a loan, but who take shares and membership because they wish to be identified with a worthy public enterprise and desire to encourage it. They also find the investment safe and the profit satisfactory.

Second, we have persons with a small but steady income, such as clerks, farm hands and renters, who have an ambition to own a home or a farm, but who have not enough saved to make the first payment. These persons accumulate steadily on installment shares. Their saving is safe, and every dollar is earning profits as soon as paid in. When they have enough saved up to make the first payment on a home or farm, they have established a reputation for sobriety and thrift, and the association is willing to take a mortgage for the balance of the purchase money.

Third, we have the man who has enough money to make the first payment on a home or farm; or who already owns a place and wants to improve it with buildings, fences, drainage or otherwise, and wants to place a mortgage to complete the purchase price, or to meet the cost of repairs. He may already have a mortgage expiring, which he wishes to renew on better terms. He gets the advantage of a long time loan at favorable rates, and with the privilege of amortizing the loan in small annual payments.

SAVING AND ACCUMULATION SHARES.—In addition to the above classification, an association may, if it so provides to do in its by-laws, issue "saving shares" upon which payments are made from time to time as the member may elect; or it may issue "accumulation prepaid shares," on which a payment of $50 or more is made at the time of subscription. The earnings are added to this until the share matures and is worth $100; or "income shares" which are paid for in advance at face value at the time of subscription. The dividends on these shares are paid in cash.

ADVANTAGES SHOWN.—It will be seen that every opportunity is offered in these associations for the accommodation of people who wish to save or invest money in large or small amounts. They afford every advantage of the savings bank with none of the savings bank's faults. They are equally as safe. They pay a better rate of income. The deposits begin to earn income sooner on an average and there is less loss of income from withdrawals. The money is in the control

of the men who earn it and save it. They learn how to use it and control it; and it is used for their own business and profit. There is little or no expense in the management of it. The work of the officers is mainly gratuitous. With the savings banks there is a heavy expense of management which comes out of the earnings of the depositors. The money of the savings bank is either invested in speculative building enterprises or in bonds or stocks, but it is not invested in the small mortgages of the frugal people who worked for it and saved it. The savings banks perform a legitimate service in safeguarding the savings of the poor, but they do not compare in efficiency with the savings and loan associations, either in profits on savings or in loans to their own patrons.

LIMIT OF INVESTMENT.—The accumulations of payments on shares, interest and amortization payments on mortgages constitute the capital of the savings and loan associations. They may borrow limited amounts, and when they have a surplus not needed by their own members, they may invest in certain standard securities, but their exclusive business is to loan on first mortgages on real estate to their own members. They can loan to members only or to other associations.

ADVANTAGES SHOWN.—Heretofore the money paid in by the members was all the funds available for loaning to members on mortgages. If the funds were short, the borrowing member simply had to wait until the payments accumulated. In cities and towns where there were many members who wanted to save and comparatively few borrowers, the plan worked all right; but where there was more demand for loans than there was money to supply them the result could not be entirely satisfactory. That was the reason the savings and loan association could not entirely supply farm needs as it was heretofore organized. Some associations in towns had more money than they needed for their urban members. These took neighboring farmers in as members, and made loans to them; but the farmers of a neighborhood could not organize an association of their own and depend on its funds to finance their mortgages. It would take too long to accumulate funds enough to go around. The need was that money should be available at any and all times to take up a mortgage just when the land owner wanted it. This requirement will now be supplied through the Land Bank.

THE LAND BANK.—The law authorizing the organization of the Land Bank of the State of New York was indorsed by Governor Glynn and passed both branches of the Legislature in the session of 1914. It was promptly signed by the Governor, and is now a law, and plans are under way to organize the bank.

ITS POWERS.—This Land Bank of the State of New York will be located in the city of New York. It will be organized by the Savings and Loan Association, and owned exclusively by them. Of course each member of a Savings and Loan Association will actually own his share of the Land Bank through his share of the local association. No local association will be obliged to become a member of the Land Bank. It may become a member or not as its members prefer, but just as a person must be a member of the local associa-

tion to get a mortgage from it, so the local association must be a member of the Land Bank in order to benefit from it. The local association will become a member of the Land Bank by taking one or more shares in the Land Bank, and the local association will then be entitled to all the benefits of the Land Bank.

THE BANK'S ORGANIZATION.—The Land Bank will be organized in the following manner: When 10 or more local associations signify their intention of becoming members of the Land Bank a meeting will be held of such members, a charter and by-laws will be prepared. These will be submitted to the Superintendent of Banks. He will approve them, and issue a certificate of authority to open up for business. The 10 or more local associations will then receive their certificate of shares in the Land Bank, and pay in $1,000 for each share. Directors and officers will then be elected and the Land Bank will be ready for business. It will have the money received for shares as capital to loan on real estate mortgages. It will also have the authority under regulations of the State to sell Land Bonds. These bonds will be secured by the first mortgages on real estate and an officer of the State will see that each bond sold is secured by such a first mortgage on real estate. This provision will make the Land Bank bonds one of the safest forms of security in the country, and the bonds should sell for as low a rate of interest as most municipal or State bonds.

SUBSCRIPTIONS TO BANK SHARES.—The local association now formed and doing business with resources amounting to $10,000 is in a position to subscribe for one share in the Land Bank, and pay $1,000 for it. New local associations will have two methods open to this. They may organize and go on doing business and accumulating assets until each has resources of $10,000; and then subscribe to one share in the Land Bank. In some sections this method may be a little too slow for the members of the local association. They may want mortgage money at once, and several members may want to place mortgages at once. The new association would not have the money in sufficient volume to make the loans promptly. In that case the mortgages could be prepared and executed to the local association. These mortgages would then be assigned to the Land Bank, and arrangements made with it for the loan on them to the local association. Of course, the one $1,000 share of stock necessary to make the local association a member of the Land Bank would have to be paid out of the proceeds, until the dues of local members accumulated and the borrowing member would have to take enough paid up shares to cover the necessary margin of safety on his loan; but this would yet give the borrower a liberal cash mortgage on his appraisal. Of course the local association would use its own money first, if it had accumulations enough to buy the mortgage, or to pay for its membership in the Land Bank, and accumulate its margin of safety; but if it were short at any time, the borrowing member would execute his mortgage to his own local association. The mortgage will then be assigned to the Land Bank, and placed in the custody of the Comptroller of the State. The money for the mortgage would be sent from the Land Bank to the local

association and handed over to the farmer or home-owner who executed the mortgage. This may go on indefinitely because the Land Bank is authorized to sell bonds as fast as the mortgages are received. The amount of bonds it can sell is limited only by its capital and the mortgages assigned to it.

FEATURES OF THE PLAN.—It has already been seen that this system of mortgage credits includes two features. First, the central institution, called the Land Bank, which is to gather money from outside sources through the sale of its own bonds secured by mortgages, and furnish this money to the local associations for the use of farmers and home owners. The other feature of the system is the local organization, known as the savings and loan associations. The system was built up on the savings and loan association law because these associations are purely coöperative. They are controlled and managed by the members; and the members get all the benefits. There is no profit to go to anyone else; and the administration is honest, efficient and economical. It would, of course, be possible to organize one or more large capitalized banks in the State for the purpose of loaning money on mortgages. This plan was considered and may yet be adopted supplementary to our present plan. But the cost of managing such an institution would be considerable, and naturally the capitalists who formed it would want to make the best possible profits for themselves. They would need to keep agents, and appraisers and collectors, in the field all the time, travelling from place to place, to look after the business, and the people who secured the loans would be obliged to pay this heavy expense in one way or another. It was to avoid this expense of costly administration and extra profits that the local association plan was adopted. The officers of the local association are familiar with values in the neighborhood. They also know the individuals who wish to borrow, and so know the moral risk in the loan. They are on the ground all the time to see that the rules are complied with and the property kept in proper repair. They are also there to make collection of interest and payments when due. While the association is young and small this work is done voluntarily by the members. There is no expense; and when the association grows large and strong the expense is trifling. There is no profit to go to anyone outside of the association. The members get the benefit of low rates of interest on the loan, and if there is any profit from it, he gets it back in dividends. The Land Bank enables all the mortgage creditors of the State to mass all their mortgage credits behind the Land Bank bonds, making them by State supervision an attractive investment, and the borrowers will reap the benefit of this sound and stable security without any more responsibility than he now incurs in placing a mortgage with an individual or institution. He will get his mortgage money at the rate of the Land Bank bonds plus the actual, economical expense of operating the bank. For the first time anywhere in this country the mortgages of the small homes and farms are placed on the financial basis to which their merit entitles them, and on a plane equal to that of any other industrial security in the whole country.

COST OF LOAN.—The farmer or home owner may

borrow on a mortgage for 40 years or less. The rate of interest will be determined by the rate of the Land Bank bonds, and expense of administration. The borrower will make an amortization payment of one per cent. a year on a 40-year mortgage; and if interest is about 4.3 per cent. his annual payments will be $5.25 on every hundred dollars borrowed. At the end of the 40 years there will be no mortgage left. This is based on the French table of annuities. So long as the borrower pays his annual dues, the mortgage cannot be called for payment, but the borrower has the right to pay any part or all of the mortgage at any time and close the account.

PLANNING FOR ASSOCIATION.—Where local associations now exist it will be well for neighboring farmers to become members, but before doing so it may be necessary for the city and village association to change its by-laws so that payments may be made quarterly, semi-annually or possibly in some places yearly. If the old association for any reason does not wish to change its by-laws to allow longer intervals of payment then a new association may be formed in the same territory. The monthly system of payments may not be adapted to farmers in some sections. The combination of village and farm interests will undoubtedly strengthen the local associations. Where new associations are formed it will be well to interest both village and farming classes, but where this is not practical, then the association may be formed either by residents of the city or village or by farmers exclusively.

The people needing mortgage accommodations are fortunate that Governor Glynn and the Banking Department of the State are deeply interested in the subject, and are willing and anxious to do everything possible to organize and develop the system. Full instructions and blanks will be supplied by the Banking Department, and organizers and instructors will be furnished by the State Department of Agriculture. Of course men are fortunate if they do not need a mortgage. Such citizens will not be interested for themselves. No one would suggest a mortgage for an owner who does not need the money, but for those who need it and must have it, no better system has yet been devised.

SAFE INVESTMENTS.—The Land Bank bonds will be a convenient and safe investment for wage earners, farmers or any investor, large or small. They will be written in small denominations and may be bought and sold from one person to another. A person with $20 idle may buy a Land Bank bond and it will earn interest at once. When he wants the money he can sell it, or if he has more money idle he can buy another. This opportunity to invest in safe bonds ought to absorb much of the money that now goes to get-rich-quick schemes and gold-brick ventures.

AN APPEAL TO LOCAL PRIDE.—No local banker or business man should hesitate to assist in the organization of a savings and loan association in his town. Anything that tends to improve the conditions of the neighborhood will benefit the local banker and tradesmen. These institutions manage saving and thrift. They accumulate savings and convert them through the local bank into productive enterprises. They form

habits of saving in the young. They encourage the home instinct in the laborer and clerk. They inspire the hired man to save up until he can make a first payment on a farm of his own. They will keep boys and girls on the farm who without this incentive would seek city employment. If a man or woman has a dollar saved, the savings and loan association will keep it safe and pay for the use of it. If a member is in temporary distress he can get his money back. If he has real property, or if he is about to acquire it, he can get a reasonable loan on terms that reduce the annual payments below the normal rate of interest alone under the mortgage system of the past. All citizens are proud of a neighborhood where conditions like these exist. All interests profit by it; and all men should be proud of an opportunity to contribute to the contentment and prosperity that such a state of affairs creates in a neighborhood.

NO LONGER A SUPPLICANT.—For the first time in the history of the United States the financing of the farm mortgage is, under this system, put on a level with large corporations, or a public utility. It puts the financing of the farm mortgage on an equal footing with the sale of bonds of a city or township, or of the State itself. The farmer need no longer be a supplicant at the door of the money-lender. No man can any longer claim a farmer's vote or otherwise control his actions on an intimation that the mortgage may otherwise be foreclosed. Just as a city may bind all its citizens to the payment of city bonds, and sell the combined credit of its citizens at a lower rate of interest than the individual bonds of the citizens would have to pay, so the Land Bank of the State of New York may sell its bonds based on the security of the accumulated mortgages at a lower rate than each farmer would be obliged to pay on his individual mortgage. The farmer gets the benefit of this rate without incurring any additional responsibility himself. Just as the municipality or public utility corporation issues its bonds, and goes into the market and sells them on their merits for what they demand in the money market, so the farmer or home owner through his Land Bank, will sell bonds based on the combined credit of the farm and home mortgages, on terms regulated by the supply of money at the time and the quality of security offered. Since there is no better security anywhere the rate should not exceed the interest rate on municipal or State bonds. In this process the farmer and home-owner for the first time liquefy and standardize their mortgage credits. By this we mean he has converted his mortgage into a negotiable bond and given that bond such a stable value that it will readily and conveniently pass from one person to another without fear of loss by anyone, and without hesitation as to its actual value. The consciousness on the part of the owner that he is financing his business on an equal footing with other business men, that he is the master of the situation and not a supplicant for favors, stimulates an independence of action and sense of freedom that results in greater business success, and in higher appreciation of citizenship.

THE TORRENS SYSTEM.—As we begin to develop this system of mortgage credits and register mortgages under it, we may as well begin right, and register both

farm title and farm mortgage under the Torrens System of land and title registration. This system originated with Sir Robert Richard Torrens in Australia in 1858. It has been adopted in England, Canada, South America, and in some of our States, including Massachusetts, Illinois, Indiana, Wisconsin, Michigan, California, Colorado and possibly some other States. In New York we passed a title law in 1908. Under this law an official examiner makes one examination and report of the records of the property. The title is then approved and registered by the Supreme Court and afterward the title can never be questioned. After that transfer is made by simply surrendering the old certificate and filing a new one at the nominal cost of two dollars. No more lawyers are needed and no further search of title required. There is no guarantee of title required and no fear that the title will ever be questioned. The State guarantees the title by its own act. Lest, however, the official examiner should make an oversight in the first examination for the Torrens title, an "assurance fund" is provided to compensate any person who through no negligence of his own is deprived of his rightful interest in the property and this must be claimed within six months of the original registration. This is a simple and a safe and economic method of insuring title to real estate. It was opposed by title insurance companies, which make enormous profits from the insurance of titles, owners and mortgagors in large cities. There is no one to oppose it in country districts, and in the interests of economy, convenience and safety, every association should provide in its by-laws that titles in the future must be registered under Article 12 of the Real Property Law as amended by Chapter 627 of the Laws of 1910. This is the title of the law under which the Torrens system of land titles is authorized in the State of New York.

AVOID EASY CREDIT.—An easier method of securing money on mortgage could be provided, but this system was not devised to invite the largest possible risk in order to secure the corresponding greatest possible profit to the lender. It was devised to enable an owner to sell a safe and conservative credit at the lowest possible interest rate, and on the easiest possible terms of repayment. It was not the purpose of this particular plan to make it too easy to go into a heavy mortgage debt. Every virtue may be cultivated until it becomes a sin. Instead of a blessing a mortgage may become a curse. Since the dawn of history one set of men through cunning and device have sought to profit by other men's labor. They have never found a means more subtle or more suited to their purpose than the instruments of credit. Away back where Roman history begins to escape from the mists of allegory and fable we find the astute money-lender alluring the less crafty tiller of the soil into debt. We read that the Roman law gave the creditor possession not only of the debtor himself but also of the debtor's family. The debtor may be cast into prison; but this extreme privilege was seldom resorted to, for the reason that the prisoner working in the fields to reduce his indebtedness was a better asset to his owner than a man in jail. Within writer's memory, the company store in New York State encouraged the factory operatives to

exceed their wages in store credit so as to control their trade and their liberties better. Today in the Southern States the factor controls the cotton planters through advances on loans. His purpose is to keep the planters always a little in debt. If by any chance the crop is sufficient to clear up the advance loan, then the ingenuity of the factor is exercised to sell the planter some article of luxury, such as a horse or a buggy, in order to keep him in debt and in the power of the factor. So instead of making loans too tempting, this system was surrounded with safeguards to make it save and protect the borrower by putting the control into his own hands. Mortgage banks to be controlled by bankers and capitalists have been proposed to finance farm mortgages. We bid farmers to have a warning of them. If organized at all, such banks will exist for the purpose of making dividends. Provisions simple enough will appear in the mortgage, but later on they may have a serious meaning. The expense of conducting such an institution would be burdensome, and the owner would pay the expense. What may be altruistic at this time may turn out to be a "pound of flesh" to the next generation.

Other systems than the one here mentioned may, of course, be successful; and in some situations may be needed. Some earnest and sincere advocates of farm credits favor a duplicate system, and this may yet come. There is room for another system, but the plan would need to be developed with care. It would be an easy matter under the allurements of good profits to accumulate money on stocks and bonds of a mortgage bank to loan on farm mortgages involving unusual risks and high rates of interest and expensive disbursements. But there would be a day of reckoning, as there has been with some institutions in the past. A brief period of easy money would encourage speculation and risk. Losses and demoralization would be the inevitable result of an expensive and wasteful system. To avoid this some plan of local supervision and responsibility must be provided in any system adopted. Coöperative credits should, however, furnish all the cash the individual credit will warrant on a safe basis. The rules of the savings and loan associations are elastic and comprehensive. They permit considerable latitude in individual requirements; and it is believed that any case of safe requirements can be accommodated under them. People of small means will be invited to invest their money in the bonds of the Land Bank, and safety was necessarily the first consideration in making a law for its organization. If the law has any fault it is on the side of safety. Later on it may be that experience will justify removing some of the restrictions that safety seems on the start to demand. No man unworthy of credit should hope to get it through this system. It is believed that every man will be able to get the portion of credit to which he is entitled. The system is new and needs to be worked out and developed. The first step is local organization and the sooner this is effected, the sooner the benefits and conveniences will materialize.

SAVINGS AND LOAN LOCATIONS.—The following shows the location of savings and loan associations in the State by counties and post offices. The figures following the post office indicate the number

of associations in that city or town. For example there are four associations in Binghamton, Broome County:

COUNTY.	POST OFFICE.
Albany	Albany, 15, Little Falls.
Alleghany	Alfred.
Broome	Binghamton 4, Deposit, Gowanda.
Cattaraugus	Olean, Salamanca.
Chautauqua	Jamestown 5, Dunkirk 2, Silver Creek.
Chemung	Elmira 5.
Chenango	Norwich, Oxford.
Columbia	Hudson 2, Stuyvesant Falls.
Cortland	Marathon, Cortland.
Delaware	Walton.
Dutchess	Poughkeepsie.
Erie	Buffalo 248, Springville, Tonawanda 3, West Seneca, Lancaster, Hamburg, East Aurora, Depew.
Franklin	Saranac Lake, East Buffalo, Williamsville.
Fulton	Gloversville 3.
Genesee	Batavia 2.
Greene	Catskill 2.
Herkimer	Dolgeville, Frankfort, Herkimer, Ilion, Little Falls.
Jefferson	Carthage, Clayton, Watertown 2.
Kings	Brooklyn 49.
Lewis	Lowville.
Livingston	Dansville.
Madison	Canastota, Oneida.
Monroe	Rochester 81, Brighton, Brockport, East Rochester, Fairport, Gates, Irondequoit.
Nassau	Hempstead, Port Washington, Rockville Centre.
New York	New York 172.
Niagara	North Tonawanda, Lockport, Nigara Falls, Suspension Bridge.
Oneida	Utica 3, Whitesboro, Rome, Oriskany Falls.
Onondaga	Syracuse 19.
Ontario	Geneva 2.
Orange	Newburgh, Port Jervis 9, Goshen, Middletown 3, Central Valley 2, Monroe, Wallkill.
Orleans	Medina, Albion.
Oswego	Oswego 12.
Otsego	Oneonta.
Queens	Long Island City 3, Woodhaven, Flushing, Jamaica, Whitestone.
Rensselaer	Castleton, Hoosick Falls 2, Troy 4.
Richmond	Stapleton, Mariner's Harbor 2, New Brighton, Port Richmond 2, West New Brighton 3, Tottenville, Tompkinsville.
Rockland	Spring Valley 3, Nyack, Pearl River, Haverstraw, Suffern.
St. Lawrence	Canton, Gouverneur, Norwood, Ogdensburg, Potsdam.
Saratoga	Mechanicsville.
Schenectady	Schenectady 2.
Seneca	Seneca Falls.
Steuben	Avoca, Bath, Cohocton, Corning, Hornell 2, North Cohocton, Wallace, Wayland.
Suffolk	Amityville, Babylon, Sayville.
Tioga	Waverly 2.
Tompkins	Freeville.
Ulster	Rondout 2, Kingston, Saugerties.
Warren	Glens Falls.
Washington	Whitehall.
Wayne	Lyons, Palmyra.
Westchester	Yonkers 2, White Plains 2, Hastings-on-Hudson, Mount Vernon, Mamaroneck, New Rochelle, Peekskill, Tarrytown, Tuckahoe, Williamsbridge.
Wyoming	Attica.
Yates	Penn Yan.

Farmers living in the vicinity of any of these places may very readily find the officers of any of these savings and loan associations. It would be well for a number of farmers to send one or more delegates to confer with the town association with a view of farmers becoming members of the existing association. The rules are very elastic, and can be made to accommodate almost any requirement. If arrangements can not be effected with existing associations, then farmers may form a new association for themselves.